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82D CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
1st Session } No. 460

AMENDING SECTION 6 OF THE CENTRAL INTELLIGENCE
AGENCY ACT OF 1949

MAY 15, 1951.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Mr. SASSER, from the Committee on Armed Services, submitted the
following

REPORT

[To accompany S. 927]

The Committee on Armed Services, to whom was referred the bill
(S. 927) to amend section 6 of the Central Intelligence Agency Act of
1949, having considered the same, report favorably thereon with an
amendment and recommend that the bill as amended do pass.

The amendment is as follows:

On page 2, beginning on line 6, after the word "elect", substitute
a period for the colon and strike out the proviso ending on line 13.

The purpose of S. 927, as amended, is to amend section 6 of the
Central Intelligence Agency Act of 1949 so as to permit the Agency
to employ not more than 15 retired or commissioned warrant officers
whose employment is otherwise prohibited unless certain qualifica-
tions are met.

The act of July 31, 1894 (5 U. S. C. A. 62) prohibits any retired
officer from holding a civilian position or office with the Federal
Government where the rate of his retired pay amounts to \$2,500 per
year, unless the officer is elected thereto or is appointed by the Presi-
dent and confirmed by the Senate, or unless the officer is retired for
disability.

By itself, this statute prohibits the employment of many officers
in Federal agencies unless they are retired for disability.

In addition, under the act of June 30, 1932, as amended, if a retired
officer is qualified for and has accepted appointment to a civilian office
or position under the Federal Government, the combined rate of his
compensation in such civilian office or position and his retired pay
for or on account of commissioned service is limited by law to \$3,000
per year. This limitation does not apply to officers retired for dis-
ability. This limitation does not apply to officers retired for dis-
ability of war.

Document No. 11100
Review of this document by CIA has
determined that:
 CIA has no objection to declass
 It contains information of CIA
interest that must remain
classified at TS S 8
Authority: MR 78-2
 It contains nothing of CIA interest
Date 12-5-81 Reviewer 606199

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Thus, under the 1932 act the combined retired pay and pay of the officer's position may not exceed \$3,000. However, the officer may waive his retired pay and accept the full pay of the position.

The proposed legislation would permit the Central Intelligence Agency to employ 15 retired officers or warrant officers without regard to the 1932 statute which prohibits an officer from holding two Federal offices.

The proposed legislation as passed by the Senate would also have permitted an officer, not otherwise excepted under the provisions of the 1932 act, to receive his retired pay based upon the degree of his disability, which is tax-free, and the remainder of the salary of his position. In other words, under the bill as passed by the Senate, any officer retired for disability employed by the Central Intelligence Agency would have been entitled to his full salary at the Agency, but that portion of his salary which would have been payable to him on the basis of his degree of disability, by the service concerned, would have been paid to him by the service and the remainder of the salary would have been paid by the Agency. Since this involves an entirely new precedent, the Committee on Armed Services removed from the bill the language which would have permitted such dual payment. The committee feels that legislation of this nature should be general, if found to be desirable, and not applicable to one agency only.

The Director of the Central Intelligence Agency indicates that they have a very urgent need for 15 officers who by long service have gained the highly technical experience and knowledge necessary in certain particular fields within the Central Intelligence Agency, and strongly urges the enactment of the proposed bill.

The Agency is having considerable difficulty finding qualified men to perform highly technical and specialized skills, and the proposed legislation will permit the employment of not more than 15 retired officers who possess these skills.

As amended, the committee urges the enactment of the proposed bill.

The Central Intelligence Agency recommends the proposed legislation, and it has been approved by the Bureau of the Budget, as indicated by the attached letter:

CENTRAL INTELLIGENCE AGENCY,
Washington, D. C., February 20, 1951.

HON. CARL VINSON,
Chairman, Committee on Armed Services,
House of Representatives, Washington, D. C.

DEAR MR. CHAIRMAN: There are a few key positions in the Central Intelligence Agency which can be filled most effectively—indeed, can only be filled effectively—by selected officers of the armed services. Although I have a quota of personnel from each of these services, I am unable to obtain, for these few key positions, officers of the training and experience which I require, as this training and experience is usually acquired only by rather senior officers whose numbers on the active list are limited. The obvious solution is to employ professionally and physically qualified retired officers, but the so-called dual-compensation statutes make it impossible for me to obtain the services of any of those who are released for reasons other than for physical disability, and physical disability would in most cases be a disqualifying defect from the CIA point of view. Thus the Government is precluded from utilizing in a very important field the services of certain highly qualified individuals in whose training the United States has a very considerable investment and who are capable of performing highly important functions of particular concern to this Agency by reason of such training.

I am faced with an immediate need for the services of certain peculiarly well-qualified retired officers, as well as some who are just reaching the retirement age. Their assistance, particularly in these times, will contribute a valuable

greatest importance to our work, not only in certain operational and technical fields but also in estimates of foreign military potentials.

There is submitted herewith the draft of a proposed amendment to the Central Intelligence Agency Act of 1949 to authorize the Central Intelligence Agency to employ and compensate certain classes of retired officers whose employment is now prohibited by law. This bill has been submitted to the Bureau of the Budget, and they have no objection to its presentation to the Congress for its consideration.

Sincerely,

WALTER B. SMITH, Director.

CHANGES IN EXISTING LAW

In compliance with clause 2a of rule XIII of the Rules of the House of Representatives, there is herewith printed in parallel columns the text of provisions of existing laws which would be repealed or amended by the various provisions of the bill:

EXISTING LAW

*The Act of July 31, 1894 (28 Stat. 205),
as amended by the Acts of May 31,
1924 (43 Stat. 245), July 30, 1937 (50
Stat. 549), and June 25, 1938 (52
Stat. 1194)*

SEC. 62. Holding other lucrative office.

No person who holds an office the salary or annual compensation attached to which amounts to the sum of two thousand five hundred dollars shall be appointed to or hold any other office to which compensation is attached unless specially authorized thereto by law; but this shall not apply to retired officers of the Army, Navy, Marine Corps, or Coast Guard whenever they may be elected to public office or whenever the President shall appoint them to office by and with the advice and consent of the Senate. Retired enlisted men of the Army, Navy, Marine Corps, or Coast Guard retired for any cause, and retired officers of the Army, Navy, Marine Corps, or Coast Guard who have been retired for injuries received in battle or for injuries or incapacity incurred in line of duty shall not, within the meaning of this section, be construed to hold or to have held an office during such retirement.

SEC. 6 (f) (1). Notwithstanding section 2 of the Act of July 31, 1894 (28 Stat. 205), as amended (5 U. S. C. A. 62), or any other law prohibiting the employment of any retired commissioned or warrant officer of the armed services, the Agency is hereby authorized to employ and to pay the compensation of not more than fifteen retired officers or warrant officers of the armed services while performing service for the Agency; but, while so serving, such retired officer or warrant officer will be entitled to receive only the compensation of his position with the Agency, or his retired pay, whichever he may elect: *Provided*, That upon appointment under the authorities of this subsection, or any other authority of law, officers or warrant officers retired for injuries or incapacity incurred in line of duty may, in addition to the elections set forth herein, elect to receive, in addition to their retired pay, additional compensation at a rate equal to the amount by which the compensation of their position with the Agency exceeds their retired pay.